



Activity Review

North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Road, Suite 104 • PO Box 12827 • Raleigh, NC 27605 • 919-733-4222 • No. 12-2005

Are You Using the Firm Name As Registered with the Board?

21 NCAC 8N .0306(c), *Advertising or Other Forms of Solicitation*, states that a "CPA firm shall offer to perform or advertise professional services only in the exact name of the CPA firm as registered with the Board."

This rule applies to stationery, envelopes, reports, business cards, brochures, banners, office signs, telephone directories, newspaper or magazine ads, web sites, engagement letters, and business proposals, as well as any other advertisements or forms of solicitation.

For example, if your firm is registered with the Board as "Frederick W. Gumby, CPA," you must always use "Frederick W. Gumby, CPA," as the firm name—you may not delete any portion of the firm name or use an abbreviation for any portion of the firm name.

Therefore, referring to the firm as "Fred Gumby, CPA," is in violation of 21 NCAC 8N .0306(c).

If your firm is registered with the Board as "Able, Baker, Charlie, Dog, and Easy, Company," the firm must always use the firm's full name—the firm cannot be referred to as "Able Baker Company" or just "Able."

Suffixes such as "Professional Corporation," "P.C.," "PC," "Limited Liability Partnership," "LLP," "L.L.P.," "Professional Limited Liability Company," "P.L.L.C.," "PLLC," "Company," "Co.," etc., which are part of the firm name as registered with the Board must be used each time the firm name is used.

In addition, if you register your firm name using all capital letters, e.g. SMITH AND JONES, you must always refer to the firm in all capital letters.

If your registered firm name includes "Certified Public Accountants," "CPA," or "CPAs," this language must be in-

cluded each time your firm name is referenced.

Please note that it is grammatically incorrect to refer to more than one CPA as CPA's—the correct form is CPAs.

To modify your firm name as registered with the Board, you must request a name change from the Board.

To modify your firm name as registered with the Board and the Secretary of State's office, you must also complete an Articles of Amendment or a Certificate of Amendment.

For additional information on firm names, please contact Lisa Moy at lmoy@nccpaboard.gov; J. Michael Barham, CPA, at mbarham@nccpaboard.gov; or Robert N. Brooks at rbrooks@nccpaboard.gov.

www.cpaboard.state.nc.us

December Deadlines

December 31, 2005, is the deadline for submitting 2006 CPA firm renewal and peer review compliance information to the Board.

If you have questions about your CPA firm's renewal or peer review compliance, please contact Lisa Moy by e-mail at lmoy@nccpaboard.gov.

In addition, December 31, 2005, is the date by which active licensees must complete at least 40 hours of CPE to be eligible for certificate renewal in 2006.

As part of the annual CPE requirement, active licensees must complete at least eight hours of non-self-study CPE [21 NCAC 8G .0409(c)] as well as a Board-approved two-hour group-study ethics CPE course or a four-hour self-study ethics CPE course [21 NCAC 8G .0410].

If you have questions about the annual CPE requirement, please contact Lisa Moy by e-mail at lmoy@nccpaboard.gov.

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Disciplinary Actions

Robert Douglas Pickett, #14013
Asheboro, NC 11/21/2005

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Respondent was the holder of North Carolina certificate number 14013 as a Certified Public Accountant.
2. The Board issued an Order dated April 19, 1999, suspending Respondent's certificate for at least thirty (30) days from the date of the Order and until the SQR compliance information was received by the Board.
3. Respondent failed to comply with the Order in submitting SQR compliance information and in returning his certificate within fifteen (15) days of the receipt of the Order.
4. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED UPON THE FOREGOING, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12(9e) and 21 NCAC 8N.0201 and .0203(b)(3).

BASED ON THE FOREGOING and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Prior to applying for reinstatement, Respondent shall complete and provide verification to the Board of his

completion of twenty-four (24) CPE hours in Accounting and Auditing in a group study. Said CPE may not be used to meet Respondent's forty (40) hour reinstatement requirement.

2. Respondent shall pay a six hundred dollar (\$600.00) civil penalty to be remitted to the Board prior to Respondent submitting his application for reinstatement.
3. Respondent must complete and provide verification to the Board of his completion of the eight-hour Ethics Principles and Professional Responsibilities course as offered by the North Carolina Association of Certified Public Accountants. Said course may be used to meet Respondent's forty (40) hour continuing professional education requirement for reinstatement.
4. Upon compliance with the requirements 1-3, Respondent may apply for reinstatement by completing the following:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three moral character affidavits, and
 - d. Forty hours of CPE in the 12 months preceding the application.

Alan C. Cuthbertson, #19311
Mars Hill, NC 01/24/2005

THIS CAUSE coming before the Board on January 24, 2005, at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present, the Board finds, based on the clear and convincing evidence presented, that:

FINDINGS OF FACT

1. Alan C. Cuthbertson (hereinafter "Mr. Cuthbertson") is the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Profes-

sional Ethics and Conduct promulgated and adopted therein by the Board.

2. Mr. Cuthbertson failed to timely file the annual firm registration in accordance with provisions as required by NCGS 93-12(7b) and 21 NCAC 8J.0108(b) and (g).
3. Effective March 29, 2004, Archerd & Cuthbertson, PLLC, was dissolved with the Department of the Secretary of State, but the Board was never provided a copy of the Articles of Dissolution by Mr. Cuthbertson.

CONCLUSIONS OF LAW

1. Mr. Cuthbertson's failure to timely file the annual firm registration or inform the Board as to the status of his firm's registration prior to the prescribed filing date is a violation of NCGS 93-12(7b) and 21 NCAC 8J.0108(b) and (g).

BASED ON THE FOREGOING, the Board orders that:

1. Mr. Cuthbertson's certificate shall be suspended for thirty (30) days; however, said suspension is stayed.
2. Mr. Cuthbertson shall disclose the suspension of his license whenever asked if he has ever had a license suspended, revoked, or disciplined.
3. Mr. Cuthbertson's certificate shall be placed on conditional status for one year from the date this Order is approved.
4. Mr. Cuthbertson shall pay a five hundred dollar (\$500.00) civil penalty.

Board Office Closed

The Board office will be closed on the following dates:

Christmas

December 23-26 2005

New Year's Day

January 2, 2006

Dr. Martin Luther King, Jr., Day

January 16, 2006

Non-Binding Interpretive Statement

This non-binding interpretive statement is issued by the North Carolina State Board of CPA Examiners (Board) pursuant to NCGS 150B-2(8a)(c) .

BACKGROUND INFORMATION

Mr. Smith is a licensee of the Board and is the Director of Accounting for a management company. The management company has 100% ownership in a number of long term care facilities, partial ownership in two long term care facilities and manages a number of long-term care facilities in which it has no ownership interest. The management company has an agreement with the long term care facilities to provide a number of services one of which is to provide monthly financial statements to all of the facilities as prepared and signed by a CPA. The management company provides financial statements at regular intervals for banks and insurance companies on behalf of all of the long term care facilities. Financial statements are also submitted to Medicare and Medicaid via cost reports that long term facilities are required to file.

QUESTION 1

Is Mr. Smith, in providing financial statements on behalf of the management company to long term care facilities which are owned entirely or partially by the management company, providing attest services to these facilities which would require that he only offer these services through a CPA firm pursuant to 21 NCAC 8N .0302(a)?

ANSWER

No. Mr. Smith, in providing the monthly financial statements to a third party should use the following language:

The accompanying balance sheet of Company X as of December 31, 20XX, and the related statements of income and cash flows for the period then ended have been prepared by (name of accountant, controller, CFO, etc.), CPA. I have prepared such financial statements in my capacity as (name of accountant, controller, CFO, etc.) of Company X.

QUESTION 2

Is Mr. Smith, in providing financial statements on behalf of the management com-

pany to long term care facilities in which the management company has no ownership interest, providing attest services to these facilities which would require that he only offer these services through a CPA firm pursuant to 21 NCAC 8N .0302(a)?

ANSWER

Yes. The management company has an agreement to provide services which include monthly financial statements to a client, a long term care facility. Any CPA providing attest services on behalf of his or her employer to a client shall do so only in the proper firm form and must participate in a peer review program. Since the CPA cannot register the management company as a CPA firm, he would be required to sign a form of practice agreement with the Board.

If you have questions regarding this non-binding interpretive statement, please contact the Board's Executive Director, Robert N. Brooks, by e-mail at rbrooks@nccpaboard.gov.

New E-Mail Addresses for Board Staff

Executive Staff

Robert N. Brooks, Executive Director

rbrooks@nccpaboard.gov

J. Michael Barham, CPA, Deputy Director

mbarham@nccpaboard.gov

Administrative Services

Felecia F. Ashe, Accounting Specialist

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Communications

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Licensing

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Alice G. Steckenrider, Licensing Specialist

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Lisa Moy, Licensing Assistant

lmoy@nccpaboard.gov

Professional Standards

Ann J. Hinkle, Manager

ahhinkle@nccpaboard.gov

Paulette Martin, Professional Standards Specialist

paulettm@nccpaboard.gov

Mary Beth Britt, Professional Standards Assistant

mbbritt@nccpaboard.gov

Volunteers Needed to Serve on the AICPA's Board of Examiners and Other Exam-Related Committees

Qualified individuals are needed to serve on the AICPA's Board of Examiners (BOE); the International Uniform CPA Qualification Examination (IQEX) Committee; the Psychometric Oversight Committee; the Content Committee; the Auditing & Attestation Preparation Subcommittee; the Business Environment & Concepts Preparation Subcommittee;

the Financial Accounting & Reporting Preparation Subcommittee; the Regulation Preparation Subcommittee; and the Simulations Development Group.

For detailed information such as objectives, major initiatives, qualifications, and annual time commitments for each committee, please visit the Board's

web site, www.cpaboard.state.nc.us, and click on the "Volunteers Needed," link.

Please submit your résumé and letter of interest to Robert N. Brooks, Executive Director, State Board of CPA Examiners, PO Box 12827, Raleigh, NC 27605, no later than March 3, 2006.

Certificates Issued

At its November 21, 2005, meeting, the Board approved the following applications for licensure:

Angela Denise Barnett	Jessica Lynn Gastmeyer	Leah Beth Noel
Dennis Matthew Barus	Robert Joseph Glair	David Andrew Page
Kelly Kiser Battle	James Edward Good	Katie Lynn Parsons
Steven Michael Berchoff	Drew M. Goodson	Brian Michael Passarelli
Mason Tyler Beaumont	Michael Lee Graham	Michael Anthony Patrick
Paulina Donnetta Bolton	Jarrod R. Hand	John Dewey Patterson II
Carissa Ann Sunga Borra	Brandy Miller Havens	Sarah Diane Pell
Katherine French Bovard	Sieglinde Christiane Hefe	Cynthia Lynn Pelzek
Thomas Patrick Boyle	Heather Faye Hollar	Thomas J. Phelan
Jean R. Broadway	Kristi Koonts Hubacher	Devin Prescott Roy
Kyle Robert Burkey	Edwin J. Jaklitsch	Lyudmila "Lucy" Rudnitsky
Kristin Michelle Burton	Scott E. Kauffman	William Peter Saffo
Yongmei Cai	Nicole Alexis Kline	Andrew Michael Schmidt
Susan Wrenn Callahan	Kelly Elizabeth Kuykendall	Darlene Schrufer
Maria Chernuskaya Casey	Jessica Harrell Lang	Brian Gregory Shaw
Sarita P. Chheda	Walter D. Leaver	Jared Lee Spencer
Victoria Elizabeth Coble	Ryan William Lenz	Vivian Simone Spencer
Wesley Allen Cook	Sarah Nicole Linegar	Daniel Michael Stewart
Jeffrey Owen Copeland	Jeffrey Toney Loftin	Christopher James Surratt
Stephanie Michelle Couch	Christopher L. Lynch	Leslie Diane Sutton
Peter Anthony Cuneo	Richard Glenn Mace	Ericka Celeste Thompson
Matthew James Currin	Michael Scott Mahan	Kristy Sue Tomasetti
Desirae Regina Darby	Benjamin T. Maltby	Christopher Edwin Warfford
Kara Lynne Davenport	Theresa Rose McCutcheon	Jada Caroline Watkins
Brett Duane Davidson	Nuala M. McGee	Dennis W. Wesley
Melinda Ruth Davis	Jocelyn Gasque Merone	Glenn Wessel
Steven Lance Dixon	Diane W. Michot	Mary Jane Yballe Williams
Jennifer L. Eddins	Charla Marie Moats	James M. Wood, II
Summer McCoy Ellis	Sharon J. Murr	Matthew Ryan Wood
Adam P. Elmore	Tiffany A. Neijna	Renée Godwin Wuchich
Yasmine Latini El-Ramly	Alyssa Anna Nelson	Manfred Ian Zech
Juan C. Espina-Arroyo	William Reid Nixon	Yi Zhang
Cheryl Lynn Gaffney		

Board-Approved Ethics CPE Courses

21 NCAC 8G .0410, Professional Ethics and Conduct CPE, requires all active resident and non-resident CPAs to complete either a two-hour group-study professional ethics and conduct CPE course or a four-hour self-study professional ethics and conduct CPE course as part of the annual 40-hour CPE requirement.

Only those courses which have been approved by the Board and that are offered by CPE sponsors registered with the Board or the National Association of State Boards of Accountancy can be used to fulfill the requirement.

As of the November 21, 2005, Board meeting, the Board had approved 15 ethics CPE courses--nine group study courses and six self-study courses--which meet the requirements in 21 NCAC 8G .0410.

A list of Board-approved ethics courses and CPE sponsors is available on the Board's web site, www.cpaboard.state.nc.us.

If you have questions about 21 NCAC 8G .0410, please contact Lisa Moy at 919-733-1423 or lmoy@nccpaboard.gov.

Need a Form or Application?

Do you need an application to sit for the Uniform CPA Examination? Do you need to transfer your Exam grades to another jurisdiction?

Do you need to register your CPA firm with the Board? Do you need to modify your firm name?

Do you need to apply for a North Carolina CPA certificate? Do you need to know if your education meets the 150-semester hour requirement for licensure?

These forms and applications, as well as many other forms and applications are available from the Board's web site, www.cpaboard.state.nc.us.

Moved? Changed Jobs? Let Us Know!

Pursuant to 21 NCAC 8J.0107, all North Carolina CPAs and CPA firms must notify the Board, in writing, within 30 days of any change of address or business location.

For your convenience, a "Notice of Address Change" form is printed on the back cover of the *Activity Review* and is

available on the Board's web site, www.cpaboard.state.nc.us.

Address changes may be mailed, faxed, or e-mailed to the Board.

Fax your address changes to the Board at 919-733-4209. E-mail your address changes to vanessiaw@nccpaboard.gov.

Reclassifications

Reinstatement

11/21/05	Earl Wayne Baucom	5135
11/21/05	William DuRant Brown, III	18150
11/21/05	Debra J. Carson	9286
11/21/05	Angela Criminger Ellis	23645
11/21/05	Michele Cox Henderson	15402
11/21/05	Kimrey Armstrong Hilton	18596
11/21/05	Susan E. Kenney	23793
11/21/05	James Gray Kimbrough, Jr.	13507

Inactive

"Inactive," when used to refer to the status of a person, describes one who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant" and neither he nor she nor anyone else refers to him or her in any representation as described in 21 NCAC 8A .0308(b) [21 NCAC 8A .0301(b)(23)].

11/02/05	James Cates	Wake Forest, NC
11/02/05	David Leroy Pruette	High Point, NC
11/02/05	Ann Kennedy Stroud	High Point, NC
11/02/05	Eric Bryan Schachner	Waxhaw, NC
11/02/05	Tracy Shawn Miller	Kingsport, TN
11/02/05	Shawn P. Lydon	Rock Hill, SC
11/03/05	Kimberly T. Hogan	Morganton, NC
11/04/05	Steven John Frost	Greensboro, NC
11/09/05	Thomas James Taricani	State College, PA
11/09/05	Christine Kendall White	Fuquay-Varina, NC
11/09/05	Amy Patton Wilkinson	Midlothian, VA
11/14/05	Terri Leigh Wyatt	Angola, IN
11/15/05	Henrietta Crocker Guthrie	Orangeburg, SC
11/17/05	Holly Wilcox Hall	Hickory, NC
11/17/05	Marjorie F. Vesey	Cape Coral, FL
11/17/05	Tammy Fullbright Barry	Raleigh, NC
11/21/05	Richard Lane Burnette	Atlanta, GA
11/22/05	Melissa Ann Self	Charlotte, NC
11/23/05	Cynthia Knox Rudy	Galax, VA
11/23/05	Francis Joseph McCann	Cornelius, NC
11/23/05	Elizabeth George Morrow	Jacksonville, FL
11/23/05	Sherri Lynn Freudiger	Conway, SC
11/29/05	Lonnie Wayne Carraway	Walstonburg, NC
11/29/05	Terri C. Daughenbaugh	Charlotte, NC
11/30/05	Robert Lee Shuford Lysterly	Hickory, NC
11/30/05	Joseph Harold McElhone	Raleigh, NC
11/30/05	Rebecca Jean Plumer	Charlotte, NC

Non-Binding Interpretive Statement

This non-binding interpretive statement is issued by the North Carolina State Board of CPA Examiners (Board) pursuant to NCGS 150B-2(8a)(c).

BACKGROUND INFORMATION

Mr. Jones is a licensee of the Board. Mr. Jones provides chief financial officer (CFO) services to businesses through his firm, CFO Services, Inc. Mr. Jones' services are contracted for by the businesses and he is not paid as an employee. Mr. Jones performs the services contracted for which may include preparation of financial statements for the business.

QUESTION 1

Is Mr. Jones considered an independent contractor or an employee?

ANSWER

Mr. Jones is considered an independent contractor because he has other clients, he performs only high-level skilled tasks, he offers his services to the public, he has an office or his firm is separate from his client's business, and he is paid directly and receives a 1099.

QUESTION 2

Mr. Jones compiles financial statements as part of his contracted services. The financial statements are prepared for internal use only with no reports, disclosures, signature as prepared by a CPA or held out as being prepared by a CPA. Can Mr. Jones compile these financial statements under these circumstances and not be in violation of 21 NCAC 8N .0302(a)?

ANSWER

No. Mr. Jones can only provide attest services in a CPA firm.

QUESTION 3

Mr. Jones compiles financial statements as part of his contracted services. The business gives the financial statements as prepared by Mr. Jones, CPA, to third parties such as banks, insurance companies, creditors, etc. Can Mr. Jones compile these financial statements under these circumstances and not be in violation of 21 NCAC 8N .0302(a)?

ANSWER

No. Mr. Jones can only provide attest services in a CPA firm.

QUESTION 4

Can Mr. Jones offer to perform or perform the services as outlined in Question 3 in his current business entity?

ANSWER

No. Mr. Jones' firm must be a CPA firm registered with the Board to offer to perform or perform attest services pursuant to 21 NCAC 8N .0302(a).

QUESTION 5

Can Mr. Jones perform these services without participating in a peer review program?

ANSWER

No. Mr. Jones must participate in a peer review program when compiling financial statements for a client pursuant to 21 NCAC 8M .0105.

If you have questions regarding this non-binding interpretive statement, please contact the Board's Executive Director, Robert N. Brooks, by e-mail at rbrooks@nccpaboard.gov.

Active NC Licensees by Concentration

Administration	964
Advisory Services	500
Auditing	2,050
Financial Planning	441
General Accountancy	8,498
Law	151
Non-accounting	439
Other	591
Taxation	<u>3,271</u>
TOTAL	16,905

Date of Report: 11/29/2005

Notification of Intent to Practice

Pursuant to 21 NCAC 8H .0106, an individual who is properly licensed as a CPA in another jurisdiction who will not reside in North Carolina, but will perform or offer to perform services for North Carolina clients, may notify the Board of his or her intent to practice in North Carolina by completing a short *Notification of Intent to Practice* form and paying a \$50.00 fee.

Previously, such individuals were required to apply for a reciprocal North Carolina CPA certificate by submitting an *Application for Non-Resident Reciprocal Certificate* and completing the accountancy law course requirement.

An individual who submits a *Notification of Intent to Practice* to the Board will not receive a North Carolina CPA certificate, but will receive a letter

which states that he or she has applied for, and received, the privilege to use the CPA title and engage in the public practice of accountancy in North Carolina for the current calendar year.

The *Notification of Intent to Practice* is valid for one calendar year; renewals will be mailed to the Administrator of Record (as designated on the form) and will be due by December 31, along with the \$50.00 renewal fee.

The *Notification of Intent to Practice* form is available on the "Forms" page of the Board's web site, www.cpbboard.state.nc.us.

If you have questions regarding the *Notification of Intent to Practice*, please contact Alice Steckenrider by e-mail at alices@nccpaboard.gov.

2006 Board Calendar

(Dates subject to change)

January 2	–	Office Closed - New Year's Day
January 16	–	Office Closed - Dr. Martin Luther King, Jr., Day
January 23	–	Board Meeting - Raleigh
January 31	–	Final Deadline for 2006 Firm Renewal & Peer Review Compliance Info
February	–	Certificate Renewals Available
February 20	–	Board Meeting - Raleigh
March 23	–	Board Meeting - Raleigh
April 14	–	Office Closed - Good Friday
April 24	–	Board Meeting - Raleigh
May 22	–	Board Meeting - Raleigh
May 29	–	Office Closed - Memorial Day
June 20	–	Board Meeting - Raleigh
June 30	–	Certificate Renewal Deadline
July 4	–	Office Closed - Independence Day
July 13	–	Board Meeting - Greensboro
August 21	–	Board Meeting - Raleigh
September 4	–	Office Closed - Labor Day
September 18	–	Board Meeting - Raleigh
October 23	–	Board Meeting - Raleigh
November	–	Firm Renewal/Peer Review Compliance Info Mailed
November 10	–	Office Closed - Veterans' Day
November 20	–	Board Meeting - Raleigh
November 23-24	–	Office Closed - Thanksgiving
December 18	–	Board Meeting - Raleigh
December 25-26	–	Office Closed - Christmas
December 31	–	2007 Firm Renewal/Peer Review Compliance Info Due

Certificate holders not notifying the Board in writing within 30 days of any change in address or business location may be subject to disciplinary action under 21 NCAC 8J .0107.